

## Message Text

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ACTION OES-04

INFO OCT-01 EUR-12 EA-06 ISO-00 ACDA-05 ERDA-05 AID-05

CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00 EB-07 FEAE-00

FPC-01 H-02 INR-07 INT-05 L-02 NSAE-00 NSC-05 OMB-01

PM-03 SAM-01 SP-02 SS-15 STR-01 TRSE-00 FRB-03 PRS-01

PA-01 USIA-06 /103 W

----- 050307

R 140748Z MAR 75

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 5283

INFO AMCONSUL BRISBANE

AMCONSUL MELBOURNE

AMEMBASSY LONDON

AMCONSUL PERTH

AMCONSUL PORT MORESBY

AMEMBASSY TOKYO

ERDA GERMANTOWN

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E.O. 11652: N/A

TAGS: EALR, ENRG, EINV, EMIN, AS

SUBJ: PRIME MINISTER AGAIN MODIFIES GUIDELINES FOR OIL AND  
URANIUM EXPLORATION

REF: (A) CANBERRA A-026, FEBRUARY 18, 1975 (NOTAL)

(B) CANBERRA A-212, NOVEMBER 15, 1974 (NOTAL)

(C) CANBERRA A-206, NOVEMBER 8, 1974 (NOTAL)

(D) CANBERRA 7275

1. SUMMARY: PRIME MINISTER AGAIN MODIFIES GOA GUIDELINES TO  
INDICATE FOREIGN COMPANIES NEED NOT OBTAIN LOCAL PARTICIPATION IN  
OIL EXPLORATION BUT WILL NEED TO OFFER PRIVATE AND PUBLIC AUST.  
INTERESTS OPPORTUNITY TO PARTICIPATE IN SUBSEQUENT EXPLOITATION  
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AND DEVELOPMENT. NOVEMBER 3 GUIDELINES STILL APPLY FOR OIL AND

GENERAL MINERALS DEVELOPMENT. AAEC WILL CONDUCT ALL URANIUM SEARCH IN NORTHERN TERRITORY AND ACT AS SOLE EXPORTER OF ALL URANIUM. EMBASSY SEES STATEMENT AS WHITLAM-CAIRNS EFFORT TO REVIVE OIL SEARCH WHILE PLACATING CONNOR WITH REAFFIRMATION OF AAEC'S URANIUM ROLE. END SUMMARY.

2. IN BRIEF MARCH 12 STATEMENT (BEING POUCHED), PRIME MINISTER WHITLAM ANNOUNCED FURTHER MODIFICATION OF GOA GUIDELINES ON OIL AND URANIUM EXPLORATION. AFTER REAFFIRMING THAT GOA SEEKS AUSTRALIAN PARTICIPATION IN OIL SEARCH, STATEMENT NOTES THAT FOREIGN COMPANIES UNDERTAKING LOCAL OIL EXPLORATION "NEED NOT NECESSARILY SEEK AUSTRALIAN PARTICIPATION" AT INITIAL LEVEL OF EXPLORATION ACTIVITIES (I.E. UP TO DETAILED PROVING STAGE) BUT THAT IN EXPLOITATION AND DEVELOPMENT GOA EXPECTS SUCH COMPANIES TO OFFER PRIVATE AND PUBLIC AUST. INTERESTS "EVERY REASONABLE OPPORTUNITY AS IS PRACTICABLE FOR PARTICIPATION IN THESE PROJECTS." STATEMENT ALSO REAFFIRMS THAT DEVELOPMENT OF OIL DISCOVERIES, AS FOR MINERALS GENERALLY, WILL BE SUBJECT TO GOA APPROVAL IN ACCORDANCE WITH PM'S GUIDELINES PUBLISHED LAST NOVEMBER 3 (REFS B AND D).

3. STATEMENT ALSO REITERATES THAT SEARCH FOR URANIUM IN NORTHERN TERRITORY WILL BE DONE ONLY BY THE AUST. ATOMIC ENERGY COMMISSION (AAEC). URANIUM EXPORT LICENSES WILL NOT BE ISSUED WHERE THERE IS EXPLORATION WITH FOREIGN PARTICIPATION ARRANGED AFTER OCTOBER 31, 1974. AAEC WILL BE ONLY EXPORTER OF URANIUM WHEREVER FOUND.

4. MARCH 12 PRONOUNCEMENT IS LATEST IN SERIES OF PERIODIC OFFICIAL STATEMENTS WHICH NUDGE GOA POLICIES ON FOREIGN PARTICIPATION IN LOCAL RESOURCES IN DIFFERENT DIRECTIONS WITHOUT ABANDONING THEIR BASICALLY NATIONALISTIC INTENT. SENIOR TREASURY OFFICER HAS CONFIRMED TO EMBASSY THAT STATEMENT IS MEANT TO EMPHASIZE THAT GOA IS NOT RPT NOT BOUND BY LABOR PARTY ENDORSEMENT OF OBJECTIVE OF 100 PERCENT AUSTRALIAN OWNERSHIP OF DOMESTIC ENERGY RESOURCES, WHICH MINERALS AND ENERGY MINISTER CONNOR OBTAINED AT RECENT TERRIGAL CONFERENCE (REF A), AND TO STRESS THAT WHITLAM'S NOVEMBER 3 GUIDELINES STILL APPLY. WHILE TOSsing SOP TO CONNOR IN FORM OF REAFFIRMATION OF HIS INSISTENCE (REF C) THAT AAEC RUN URANIUM SHOW, MARCH 12 STATE-LIMITED OFFICIAL USE

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MENT IS ACTUALLY EFFORT BY WHITLAM AND TREASURER CAIRNS TO RESUSCITATE FLAGGING DOMESTIC OIL SEARCH. OIL INDUSTRY HAS WELCOMED STATEMENT. HOWEVER, EVEN IF FOREIGN INTERESTS ARE NOW FREE TO SEARCH FOR OIL ON THEIR OWN AND PRESUMABLY CAN PARTICIPATE WITH PRIVATE OR OFFICIAL AUSTRALIAN ENTITIES IN OIL EXPLOITATION AND DEVELOPMENT, IT IS STILL FAR FROM CLEAR THAT EASING RESTRICTIONS TO THIS DEGREE WILL BE SUFFICIENT TO REVIVE NOW STAGNANT OIL SEARCH. MEANWHILE, OVERALL GOA ON FOREIGN

INVESTMENT IN RESOURCES REMAINS ONLY SLIGHTLY LESS MURKY AND NATIONALISTIC THAN BEFORE. FOREIGN FIRMS ARE NOW ASSURED THAT THEY CAN RISK AS MUCH OF THEIR OWN MONEY ON OIL EXPLORATION AS THEY LIKE, THE MAIN CERTAINTY BEING THAT MUST SHARE SUCCESSES BUT NOT LOSSES WITH LOCALS.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** URANIUM, POLICIES, EXPLOITATION (NATURAL RESOURCES), EXPLORATORY DRILLING, PETROLEUM RESERVES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 14 MAR 1975  
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**Disposition Approved on Date:**  
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**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**To:** STATE  
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